



Washington State
Developmental
Disabilities Council

Dan Thompson Advisory Committee

June 1, 2021

With special thanks and acknowledgement to Ivanova Smith for help with graphics.

Agenda



- 10:00 Welcome and introductions
- 10:20 Remarks from Margaret Lee Thompson
- 10:25 Remarks from Senator Rolfes, Chair of the Ways and Means Committee
- 10:30 Goals of the committee
- 10:40 Presentation: History and Overview of the Dan Thompson Memorial Developmental Disabilities Community Services Account
- 11:10 Discussion
- 11:55 Next steps
- 12:00 Adjourn





















Dan Thompson shows Senator Dan McDonald some of his job duties at Microsoft.



Eager worker encounters obstacle



Kevin Clark/Journal American

Dan Thompson, sharing a moment with his mother, Margaret Lee-Thompson, would like to find a job after he graduates from Lake Washington High School's special education program this spring. But a county agency that arranges jobs for developmentally disabled has had to put people on a waiting list because of a lack of money.

Dan would like a job, but program's funds run out













SHB 1791
"DAN THOMPSON ACT"
2005



Goals of the Dan Thompson Advisory Committee



1. **Identify needs** in the community that are not being sufficiently met by current system
2. **Make recommendations** to the Department of Social and Health Services (DSHS) for one-time, high-impact investments.
3. **Serve as ambassadors** to help educate the community about the Dan Thompson Advisory Committee and the issues it is working to address.



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The Process

(Approved at
February 2021
DDC Meeting)

- Developmental Disabilities Council (DDC) will create a Dan Thompson Advisory Committee.
- The Advisory Committee will have diverse statewide representation from community members.
- With DDC support, the Advisory Committee will develop a process and criteria for project proposals.
- The Advisory Committee will submit recommendations to the DDC for approval before sending to DSHS to make final decisions and disburse funding.
- The DDC and DSHS will develop an Interlocal Agreement to formalize the process.



Questions?



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History and Overview of the Dan Thompson Memorial Developmental Disabilities Community Services Account

Outline



- Key definitions
- History of Dan Thompson Developmental Disabilities Community Services Account
- Highlights of Senate Bill 6190 (2020 Legislative Session)
- How the account works
- Current account balance



Key Definitions

- **Account**– A record of money received and paid out.
- **Trust**– A financial account that is managed by a trustee for the benefit of someone, according to certain agreements.
- **Principal**– The original amount of money put into an investment account before interest is earned.
- **Investment earnings**– How much is earned on the principal money that is put into an account.
- **Net proceeds**– The amount of earnings after expenses are taken out.
- **Fair market value**– A value that is fair based on what other similar items or properties are being sold for.
- **Revised Code of Washington (RCW)**– Compilation of all permanent laws that are in force in Washington State.



Key Definitions

- **Residential Habilitation Center (RHC)**– A state-operated facility (“institution”) to provide certain types of care to people with developmental disabilities.
- **Real property**– Land and buildings.
- **Conservation easement**– An agreement that limits the use of a piece of land to conserve (protect) it.
- **CEPRI Trust**– Stands for Charitable, Educational, Penal, and Reformatory Institutions Trust. The CEPRI receives benefits from land managed by the Department of Natural Resources.
- **Appropriation**– When money is set aside for something by the Legislature.
- **Eligible individuals with developmental disabilities**– People who are eligible to receive services from the Developmental Disabilities Administration (DDA)



History of Dan Thompson Developmental Disabilities Community Services Account



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Dan Thompson working in the Microsoft mailroom, 2003

History of Dan Thompson Developmental Disabilities Community Services Account



- After Dan's death in 2005, the Legislature created the Dan Thompson Memorial Trust Account.
- It was enacted into law in the Revised Code of Washington ([RCW 71A.20.170](#))
- The RCW was recently updated after the passing of [Senate Bill 6190](#) during the 2020 Legislative Session.



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History of Dan Thompson Developmental Disabilities Community Services Account



Note: [RCW 79.02.400](#) requires DSHS to conduct an inventory every 5 years that identifies real property not needed for state-provided residential care, custody or treatment. DSHS is required to report the inventory to the Legislature and the Department of Natural Resources every five years beginning Dec. 1, 1992.



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Highlights of Senate Bill 6190

- Passed during 2020 Legislative Session
- Sponsored by Senators Braun, Keiser, and Kuderer
- Effective Date: June 11, 2020

Highlights of Senate Bill 6190

- Restructured and renamed the account– from the Dan Thompson Developmental Disabilities Community Trust Account to Dan Thompson Developmental Disabilities Community Services Account.
- Covers revenue that comes from the state’s four Residential Habilitation Centers (RHC):
 1. Lakeland Village (Medical Lake)
 2. Fircrest (Shoreline)
 3. Rainier School (Buckley)
 4. Yakima Valley School (Selah)



Highlights of Senate Bill 6190

- Net proceeds from the following must be deposited into the account:
 - Leases or sales of real property
 - Conservation easements
 - Sales of timber
- Sales or leases must be at fair market value.
- The Legislature may also make deposits to the account.



Highlights of Senate Bill 6190



- RHC property that is required for operations may not be leased or sold to benefit the account.
- Proceeds from property owned by the Charitable, Educational, Penal, and Reformatory Institutions (CEPRI) Trust may not be deposited in the account.



Highlights of Senate Bill 6190

- Money in the account may only be spent after it is appropriated by the Legislature.
- Excess land is no longer considered principal.
- Money in the account may be spent on:
 - Certain supports and services in a community setting to benefit eligible individuals with developmental disabilities
 - SIB investment expenses ([RCW 43.33A.160](#) and [RCW 43.84.160](#))



Highlights of Senate Bill 6190

- Expenditures from the account must supplement (not replace, supplant, or reduce) current state expenditure levels.
- The State Investment Board (SIB) must invest the funds with “care, skill, prudence, and diligence” ([RCW 43.33A.140](#))
- The SIB must communicate with DSHS and the Legislature about policies, earnings, and needs of the account.
- DSHS must consult with the Washington State Developmental Disabilities Council regarding expenditures from the account.



How the Account Works



- The SIB oversees the account, but the account will remain at the Office of the State Treasurer.
- Senior legislative counsel for the House and Senate clarified the account is a fund, not a trust.
- Since it is a fund and not a trust, this limits how the SIB can invest the money.



How the Account Works

- Funds must be invested in “cash instruments”:
 - Lower yield (currently 1% or less annually)
 - Short maturity (1-5 years)
 - Cannot be invested in equities, like stocks
- Functions as a low-yield “savings account”
- No limit on how much of the balance can be distributed, but funds must be appropriated by the Legislature before they can be spent.



Current Balance

- Revenue during FY21 (July 2020 to June 2021) was approximately \$450,000
- The Legislature committed to appropriate \$1 million annually
- Current balance is approximately **\$55 million**
 - \$5 million that accumulated between 2005 and 2021
 - \$50 million invested by the Washington State Legislature with federal funding from the American Rescue Plan Act (ARPA).



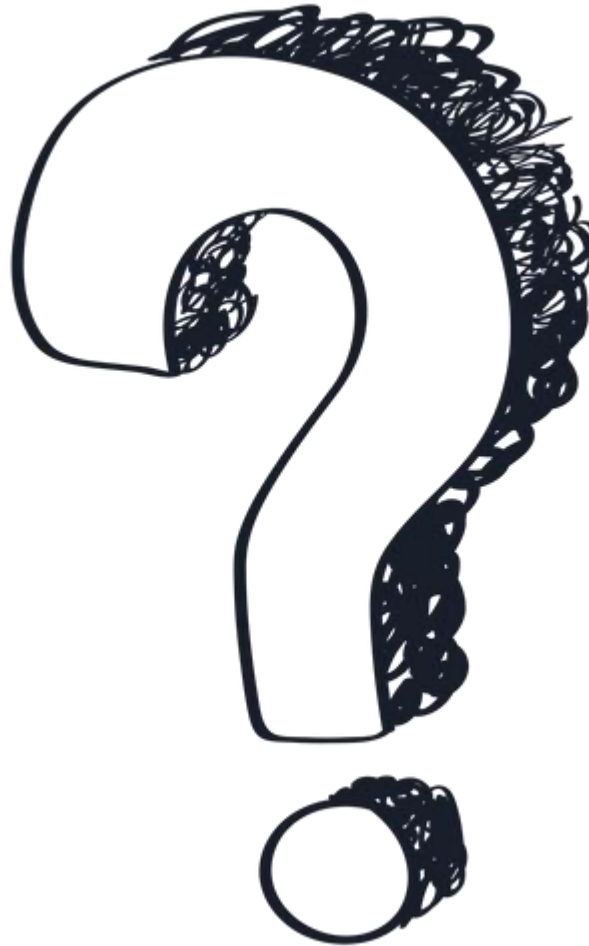
Current Balance

For the ARPA portion of the account (\$50 million):

- One-time appropriation, must be spent by June 2023 (during the 2021-2023 biennium)
- Any remaining funds after June 2023 will disappear unless the Legislature decides to re-appropriate it to the 2023-2025 biennial budget during the 2023 legislative session.
- Must be one-time, high-impact investments
- Since the funds are in the operating budget, they cannot be used for capital construction/improvement projects.*



Questions?



Discussion



- What are the most critical issues or areas where we should consider making recommendations for one-time, high-impact investments?
- What additional criteria should we consider?
- Who is missing from this conversation?



Discussion

The following are not covered by a federal match for DDA:

- Services provided by other authorizes (e.g. DVR or school services)
- Anything considered a “general utility” (e.g. internet service)
- Certain home accessibility adaptations that are of “general utility” and/or increase the square footage of the home
- Vehicle purchase/lease, vehicle adaptations that are of “general utility”, general vehicle maintenance
- Equipment that is not of direct medical or remedial benefit
- Guardianship costs, court fees, payee fees
- Services not approved by CMS*
- Services in non-integrated settings, except respite*
- Treatments that are experimental or prohibited*



Discussion

The following have been suggested as priority areas to consider:

- Housing*
- Employment supports
- Technology (including devices, internet, and remote supports)
- Vehicle purchase, lease, or adaptations
- Recreation programs
- Respite care
- Additional services for people who have maxed out their waiver services or are on the No Paid Services (NPS) caseload



*Currently seeking clarification about whether or not the funds can be used to purchase homes. If not, it is possible to recommend that a portion of the funding be moved to the Housing Trust Fund in the capital budget, but that would require Legislative action during the 2022 session.

Discussion



Additional questions to consider as we develop criteria:

- Does the proposal benefit a historically marginalized community?
- Will the proposal have a long-lasting benefit?
- How many people will the proposal benefit?
- Are there other sources that could feasibly pay for the proposal?



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Contact Information

Jeremy Norden-Paul

Executive Director

Washington State Developmental Disabilities Council

jeremy.norden-paul@ddc.wa.gov

360-586-3558

